

Preliminary For Review

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

SEPTEMBER 24, 2007

The State Building Commission Executive Subcommittee met this day at 10:30 a.m. in the Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Dave Goetz, Commissioner, Department of Finance and Administration
Dale Sims, State Treasurer
Riley Darnell, Secretary of State

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

John Morgan, Comptroller of the Treasury

OTHERS PRESENT

Mike Fitts, State Architect
Georgia Martin, State Architect's Office
Alan Robertson, State Architect's Office
Charles Garrett, Real Property Administration
Jurgen Bailey, Real Property Administration
Charles Harrison, Comptroller's Office
Janie Porter, Attorney General's Office
Genie Whitesell, Attorney General's Office
Mark Wood, Secretary of State's Office
Nathan Burton, Treasurer's Office
Bill Bauer, Real Property Administration
Pat Haas, Bond Finance
John Carr, Finance & Administration
Dennis Raffield, THEC
Mark Cherpack, Finance & Administration
Mike Morrow, Finance & Administration
Bob King, Real Property Administration
Fred Hix, Mental Retardation Services
Jerry Preston, Tennessee Board of Regents
David Gregory, Tennessee Board of Regents
Alvin Payne, University of Tennessee
George Criss, University of Tennessee

Tom Fusco, Human Services
Nancy Blevins, Finance & Administration
Bill Rusie, General Services
Tommy Chester, General Services
Karen Dyer, General Services
John Cothorn, Middle Tennessee State University
Diane Uhler, Tennessee Board of Regents
Debra Hudson, Board of Probation & Paroles
Charles Traughber, Board of Probation & Paroles
Nancy Townsend, Legislative Budget Office
Patricia Clark, Agriculture
Beverly Robertson, National Civil Rights Museum

Commissioner Goetz called the meeting to order at 10:36 a.m. and requested action on the following matters as presented by State Architect Mike Fitts.

* * * * *

UNIVERSITY OF TENNESSEE

UNIVERSITY OF TENNESSEE HEALTH SCIENCE CENTER, MEMPHIS, TENNESSEE

- 1) Approved a request to reallocate funding on a project for **College of Pharmacy Building** at University of Tennessee Health Science Center, Memphis, and authorization to award a contract to Inman Construction, in the amount of \$44,600,000.00, which includes the base bid and Alternate #1, based on bids received August 30, 2007, with the understanding that finishing Floors 5 & 6 was not included as that portion is unfunded.

Estimated Project Cost: **\$49,600,000.00**
SBC Project No. *540/013-03-2004*

BOARD OF PROBATION & PAROLE

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: Williamson County – 426 Century Court, Suite 100, Franklin, TN – 07-01-915 (BK)

Purpose: To provide office for county operations

Term: November 1, 2008 thru October 31, 2018 (10 yrs.)

Proposed Amount:	<u>3,720 Square Feet</u>		
	Average Annual Contract Rent:	\$76,762.14	@\$20.63/sf
	Est. Annual Utility Cost:	\$ 5,208.00	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 4,092.00</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$86,062.14	@\$23.13/sf

Current Amount:	<u>2,720 Square Feet</u>		
	Annual Contract Rent:	\$36,000.00	@\$13.24/sf
	Est. Annual Utility Cost:	\$ 2,992.00	@\$ 1.10/sf
	Est. Annual Janitorial Cost:	<u>\$ 2,992.00</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$41,984.00	@\$15.44/sf

Type: New Lease – Negotiated

FRF Rate: \$18.00 per square foot

Purchase Option: No – multi-tenant

Lessor: Grumpy's Enterprise, LLC

Comment: The proposed lease provides: (1) Lessor will build-out an existing building of 3,720 rsf, and including interior improvements at no additional cost to the State, (2) lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180 days thereafter, and (3) option renewal lease for five (5) years with renewal at 3% escalation or Tennessee CPI, which ever is greater.

SSC Report: 09-17-07. Bob King summarized the transaction. Staff referred to Subcommittee for discussion.

SC Action: 09-24-07. Charles Garrett presented the transaction and stated that this was the fifth location that they have tried to lease due to the difficulty in obtaining a suitable location because of the nature of the tenants. Representative Charles Sargent and Charles Traughber were recognized and stated they were in favor of this lease. After discussion, Subcommittee approved the request as presented.

FINANCE & ADMINISTRATION
for
HUMAN & CHILDREN'S SERVICES

LEASE AMENDMENT

Review of a request for APPROVAL of the following LEASE AMENDMENT for the rental of real property as required by TCA 12-2-115:

Location: Sullivan County – 2193 Feathers Chapel Road, Bristol, TN – Trans. No. 07-07-911 (JS)

Purpose: To provide additional space for Children's Services

Term: April 1, 2008 thru March 31, 2013 (5 yrs. left on the lease)

Proposed Amount:	<u>19,400 Square Feet</u>		
	Annual Contract Rent:	\$190,395.00	@ \$ 9.81/sf
	Est. Annual Utility Cost:	\$ 27,160.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 21,340.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$238,895.00	@ \$12.31/sf

Current Amount:	<u>12,779 Square Feet</u>		
	Annual Contract Rent:	\$117,564.00	@ \$ 9.20/sf
	Est. Annual Utility Cost:	\$ 17,890.60	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 14,056.90</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$149,511.50	@ \$11.70/sf

Type: Amendment #1 – Negotiated

FRF Rate: \$18.00 per square foot

Purchase Option: Yes

Lessor: David K. Quillen

Comment: The proposed lease provides: (1) Lessor shall construct an additional 6,621 rsf to existing facility including tenant improvements at no additional cost to the State, and (2) all terms and conditions remain the same per the lease except cancellation for convenience re-moved.

SSC Report: 09-17-07. Bob King summarized the transaction. Staff referred to Sub-Committee for discussion.

SC Action: 09-24-07. Charles Garrett presented the transaction. Subcommittee approved the request as presented.

FINANCE & ADMINISTRATION
for
COMMUNITY SERVICES AGENCY

LEASE AMENDMENT

Review of a request for APPROVAL of the following LEASE AMENDMENT for the rental of real property as required by TCA 12-2-115:

Location: Shelby County – 1407 Union Avenue, Suite 1300, Memphis, TN – Trans. No. 06-07-926 (AL)

Purpose: To provide additional office space to accommodate 25 new employees

Term: August 1, 2007 thru July 31, 2008 (1 yr)

Proposed Amount: 15,359 Square Feet
Annual Contract Rent Incl. Utility &
Janitorial Cost: \$222,705.50 @\$14.50/sf
Total Annual Effective Cost: \$222,705.50 @\$14.50/sf

Current Amount: 7,655 Square Feet
Annual Contract Rent Incl. Utilities &
Janitorial Cost: \$103,331.46 @\$13.50/sf
Total Annual Effective Cost: \$103,331.46 @\$13.50/sf

Type: Amendment #1 – Negotiated

FRF Rate: \$18.00 per square foot

Purchase Option: No – Multi tenant

Lessor: G & IV Mid Memphis Tower, LLC

Comment: The proposed lease provides: (1) Lessor shall provide additional 7,704 rsf existing facility including tenant improvements at no additional cost to the State, and (2) all terms and conditions remain the same per the lease.

SSC Report: 09-17-07. Bob King summarized the transaction. Staff referred to Sub-Committee with discussion.

SC Action: 09-24-07. Charles Garrett presented the transaction and stated that this was a self-sufficient program. Subcommittee approved the request, with the understanding expressed by Treasurer Sims that the next lease for this function be competitively procured.

TENNESSEE BOARD OF REGENTS

Middle Tennessee State University, Murfreesboro, Tennessee

- 1) Approved a request for a revision in funding from \$2,640,000.00 to \$4,640,000.00 (a \$2,000,000.00 increase) and, acknowledgment of source of funding of Phase One for **Pittard Campus School Renovations** at Middle Tennessee State University in Murfreesboro, Tennessee.

Revised Estimated Project Cost: \$5,000,000.00
SBC Project No. 166/009-12-2006

Tennessee State University, Nashville, Tennessee

- 1) Approved a project and acknowledgment of the source of funding for **Lawson Hall Roof and Upgrades in Lawson and CARP** at Tennessee State University in Nashville, and the selection of Moody Nolan to design and supervise the project.

Estimated Project Cost: \$200,000.00
SBC Project No. 166/001-04-2007

Roane State Community College, Harriman, Tennessee

- 1) Approved a request for a revision in the source of funding for **Campbell County Higher Education Center** at Roane State Community College in Harriman, Tennessee.

Estimated Project Cost: \$ 3,350,000.00
SBC Project No. 166/027-02-2002

- 2) Approved a request for a revision in the source of funding for **Morgan County Higher Education Center** at Roane State Community College in Harriman, Tennessee.

Estimated Project Cost: \$1,548,000.00
SBC Project No. 166/027-02-2006

TENNESSEE BOARD OF REGENTS

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: **Hamilton County – 5600 Brainerd Road, Chattanooga, TN – Trans. No.**

Purpose: To provide classroom and office space for the Chattanooga State Technical Community College for educational purposes.

Term: January 1, 2008 thru December 31, 2013 (5 yrs.)

Proposed Amount:

<u>14,796 Square Feet</u>		
Annual Contract Rent:	\$157,873.32	@\$10.67/sf
Est. Annual Utility Cost:	\$ 20,714.40	@\$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 16,275.60</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	\$194,863.32	@\$13.17/sf

Current Amount: None

Type: New Lease –Negotiated – Received only one (1) proposal.

FRF Rate: \$18.00 per square foot

Purchase Option: No

Lessor: Eastgate Town Center

Comment: The proposed lease provides: (1) Lessor shall construct 14,796 rsf interior build-out/improvements at no additional cost to the State, and (2) proposed lease has 120 days cancellation clause except for cause and/or lack of funding.

SSC Report: 09-17-07. Bob King summarized the transaction. Jerry Preston stated the importance of this transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 09-24-07. Charles Garrett presented the transaction. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Montgomery County – 835 College Street, Clarksville, TN – Trans. No. 07-08-014 (BW)</u>
Purpose:	Acquisition in Fee to purchase this property and is in the APSU Master Plan.
Source of Funding:	Campus Plant Funds
Estimated Cost:	Fair Market Value
Owner(s):	James & Barbara Britt / University Land Partners, LLC
Comment:	Property is for future parking area and is close to the Science Building; also requesting approval to condemn property if we cannot reach settlement with owner.
SSC Report:	09-17-07. Jurgen Bailey summarized the transaction. Jerry Preston stated that this property is critical to APSU. Staff referred to Sub-Committee with recommendation.
SC Action:	09-24-07. Charles Garrett presented the transaction. He stated that the property will be appraised and an offer made to the owners. He said that if the offer is rejected, they would like to proceed with condemnation. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Montgomery County – 833 College Street, Clarksville, TN – Trans. No. 07-08-015 (BW)</u>
Purpose:	Acquisition in Fee to purchase this property and is in the APSU Master Plan.
Source of Funding:	Campus Plant Funds
Estimated Cost:	Fair Market Value
Owner(s):	Andrew Hutcheson
Comment:	Property is for future parking area and is close to the Science Building; also requesting approval to condemn property if we cannot reach settlement with owner.
SSC Report:	09-17-07. Jurgen Bailey summarized the transaction. Jerry Preston stated that this property is critical to APSU. Staff referred to Sub-Committee with recommendation.
SC Action:	09-24-07. Charles Garrett presented the transaction. He stated that the property will be appraised and an offer made to the owners. He said that if the offer is rejected, they would like to proceed with condemnation. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Montgomery County – 311 Ford Street, Clarksville, TN – Trans. No. 07-08-016 (BW)</u>
Purpose:	Acquisition in Fee to purchase this property and is in the APSU Master Plan.
Source of Funding:	Campus Plant Funds
Estimated Cost:	Fair Market Value
Owner(s):	Aaron Hutcheson
Comment:	Property is for future parking area and is close to the Science Building; also requesting approval to condemn property if we cannot reach settlement with owner.
SSC Report:	09-17-07. Jurgen Bailey summarized the transaction. Jerry Preston stated that this property is critical to APSU. Staff referred to Sub-Committee with recommendation.
SC Action:	09-24-07. Charles Garrett presented the transaction. He stated that the property will be appraised and an offer made to the owners. He said that if the offer is rejected, they would like to proceed with condemnation. Subcommittee approved the request as presented.

DEPARTMENT OF CHILDREN'S SERVICES

MOUNTAIN VIEW YOUTH DEVELOPMENT CENTER, DANDRIDGE, TENNESSEE

- 1) Approved a Delivery Order and acknowledgment of the source of funding for **Energy Savings Performance Contracting** at Mountain View Youth Development Center with design and construction provided by Johnson Controls, Inc.

Estimated Delivery Order #16 Cost: \$756,478.00
SBC Project No. 144/013-01-2006

DEPARTMENT OF CORRECTION

MORGAN COUNTY CORRECTIONAL COMPLEX, WARTBURG, TENNESSEE

- 1) Approved a Delivery Order and acknowledgment of the source of funding for **Energy Savings Performance Contracting** at the Morgan County Correctional Complex with design and construction provided by Johnson Controls, Inc.

Delivery Order #19 Cost: \$1,971,595.00
SBC Project No. 142/001-01-2006

DEPARTMENT OF CORRECTIONS

LAND ITEM

Review of a request for APPROVAL of the following ACQUISITIONS by EASEMENT and the RIGHT OF ENTRY of interests in real properties with WAIVER OF ONE (1) APPRAISAL, not to exceed the appraised value for the properties being acquired:

Description:	<u>Bledsoe County – Waterline easement acquisitions (90-140) – located near Pikeville, TN – Trans. No. 07-08-027(JB)</u>
Purpose:	Acquisition in Fee of waterline easements to serve the existing/expansion of the Southeast State Regional Correctional Facility and surrounding communities.
Source of funding:	SBC# 142/013-02-2004
Owner:	Various Owners
Estimated Cost:	Fair Market Value
Comment:	Requesting approval to utilize services of acquisition consultant to acquire 90-140 waterline easements.
SSC Report:	09-17-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.
SC Action:	09-24-07. Charles Garrett presented the transaction. Subcommittee approved the request as presented.

DEPARTMENT OF CORRECTIONS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following properties, not to exceed the appraised value for the property being acquired:

Description:	<u>Bledsoe County – 2 +/- acres located near Pikeville, TN – Trans. No. 07-08-028 (JB)</u>
Purpose:	Acquisition in Fee of two tracts of land, yet to be determined, to be utilized for a water pumping station for new waterline being constructed for the existing/expanding Southeast Regional Correctional Facility.
Source of funding:	SBC#142/013-02-2004
Owner:	To be determined
Cost:	Fair Market Value
SSC Report:	09-17-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.
SC Action:	09-24-07. Charles Garrett presented the transaction. Treasurer Sims commented that he would like to know more about this transaction, and asked Mr. Garrett to report back the specifics of the sites, including ownerships, acreages and appraised values. Subcommittee approved the request as presented, with the understanding that Mr. Garrett would report back.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and DEMOLISH ANY BUILDINGS required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Henry County – 333.2 +/- acres – Paris Landing State Park, Paris, TN – Trans. No. 07-08-019 (RJ)</u>
Purpose:	Acquisition in Fee to add Camp Hazelwood Girl Scout to Paris Landing State Park will greatly enhance the recreational opportunities in the area.
Source of Funding:	State Land Acquisition Funds - \$425,000.00 Heritage Conservation Trust Fund - \$500,000.00 Land & Water Acquisition Fund - \$575,000.00
Estimated Cost:	Fair Market Value
Owner(s):	Girl Scouts of America Reelfoot Council
SSC Report:	09-17-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.
SC Action:	09-24-07. Charles Garrett presented the transaction. Subcommittee approved the request as presented without objection.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, with WAIVER of ADVERTISEMENT and WAIVER of ONE (1) APPRAISAL with further approvals requested, which are: (1.) acceptance of assignments for coal, gas and oil leases and other contracts related to the transaction specified on the closing checklist; (2.) approval to enter into management/lease agreement with The Nature Conservancy for 4400+/- acres ; (3.) approval to accept and dispose of necessary easements to finalize transaction; (4.) accept 4400+/- acres from The Nature Conservancy as soon as federal funds become available to acquire tract. Approval to reimburse The Nature Conservancy for all agreed upon expenses.

Description: Various Counties in East Tennessee – 5,560+/- acres in Fee at Emory River; 18,875 +/- acres conservation easement at Emory River; 23,200 +/- acres conservation easement at Brimstone; 75,000 +/- acres timber rights acquisition at Sundquist; 75,000 +/- acres Disposal by Lease 10-year timber rights; 4,400 +/- by management agreement/lease and subsequent Acquisition in Fee.

Funding: Special Appropriations for Governor's Initiative

Owners: Heartwood Forestland Fund LP
GMO Forestry Fund No. 3 LP

State's Partners: Lyme Timber Company/ Conservation Forestry LLC/
The Nature Conservancy

Estimated Cost: \$82,000,000 (State's Contribution)
Total Cost: \$134,350,000

Comment: State would like to proceed with these acquisitions in two phases. Closing is scheduled for Brimstone Tract for the week of October 1st, 2007. Closing on the Emory River Tract is scheduled to take place for the week of October 8th, 2007. Also requesting approval to share half the appraisal costs with The Nature Conservancy on these acquisitions. State will receive an additional 4, 440 acres from The Nature Conservancy when State qualifies for Federal Forest Legacy Funds to acquire tract. Also requesting approval that it is in the State's best interest to have a negotiated timber lease without advertisement because said lease is part of the financing to complete this real estate transaction.

SSC Report: 09-17-07. Charles Garrett summarized the transaction. Staff referred to Subcommittee with recommendation.

Department of Environment and Conservation – continued:

SC Action: 09-24-07. Charles Garrett presented the transaction. Secretary of State Darnell asked if the funding issues had been worked out, and if everyone involved was in agreement, and Mr. Garrett replied "yes". Mr. Garrett then acknowledged Marie Stringer, Regina Hancock and Jurgen Bailey and thanked them for their hard work on the project. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATION

CAPITOL COMPLEX, NASHVILLE, TENNESSEE

- 1) Mr. Garrett requested deferral for one month on the presentation of a security plan to be presented by Commissioner Gwendolyn Davis of the Department of General Services, and review of a request by the Department of Finance and Administration for approval of a project and acknowledgment of the source of funding, and authorization to issue an RFP for selection of a security vendor and implementation of Phase 1 for **Security Improvements** at the Capitol Complex, Nashville, and selection of a design consultant for the project. Treasurer Sims commented that he wanted to see the presentation and make sure we are not committed to a course of action where, if they decentralize, they are precluded from economically centralizing in the future and possibly required to change vendors for the Nashville downtown campus.

Estimated Project Cost: \$2,500,000.00
SBC Project No. 529/000-27-2007

NATIONAL CIVIL RIGHTS MUSEUM, MEMPHIS, TENNESSEE

- 1) Mr. Fitts stated that the Lease Agreement between the State of Tennessee, Tennessee State Museum and The Lorraine Civil Rights Museum Foundation, Inc. for the National Civil Rights Museum Foundation in Memphis, expires on September 30, 2007. He said that a three month extension is recommended in order to continue operation of the Museum by the Foundation and work out an acceptable permanent lease arrangement. He added that the lease extension would eliminate the option to purchase contained in the current lease.

Treasurer Sims made a motion to approve the extension along with a recommendation from the Legislative Black Caucus that everyone ought to realize that they need to move expeditiously and understand what the issues are and address them. He stated that Representative Barbara Cooper understands and agrees to that course of action. Beverly Robertson, Executive Director of the LCRM Foundation, was recognized and stated that they were in agreement with the 90-day lease extension. After discussion, the Subcommittee approved the 90-day lease extension as presented.

SBC Project No. 529/000-16-1998

- 2) Mr. Fitts presented a request for approval of a grant to the National Civil Rights Museum for major maintenance repairs and improvements at the Museum. Treasurer Sims commented that this grant is for reimbursement and there are specific projects tied to it. Mr. Fitts stated that the maintenance projects would be identified and approved by the State Architect. Subcommittee approved the request as presented.

Estimated Project Cost: \$200,000.00
SBC Project No. 160/020-01-2007

MUSEUM OF AFRICAN AMERICAN MUSIC, ART AND CULTURE, NASHVILLE, TENNESSEE

- 1) Mr. Fitts presented a request by the African American History Foundation of Nashville, Inc. (Foundation) regarding the proposed Project Site Lease and the Development and Operation Agreement between the Foundation and the Industrial Development Board of the Metropolitan Government of Nashville and Davidson County, Tennessee (IDB) for the Museum of African American Music, Art and Culture in Nashville, Tennessee. He explained that the Foundation proposes to sublet the State lease to the IDB of Metro for the purpose of design, construction and operation of the Museum. Mr. Fitts said that staff, along with the Attorney General's Office, had reviewed the proposed lease with Foundation representatives and are ready to recommend approval.

Treasurer Sims stated that the State already has a 30-year lease with a 30-year option, and controls the design. He said the only change is the sublease to the IDB, and that the firm of Tuck-Hinton Architects is already on board for the design of the Museum.

Mr. Fitts stated that staff recommended that the Subcommittee authorize the Commissioner of Finance & Administration to acknowledge SBC approval of the sublease by a signature line on the sublease agreement between the Foundation and Metro IDB. After discussion, the Subcommittee approved the request as presented by Mr. Fitts.

SBC Project No. 529/000-26-2007

DEPARTMENT OF HUMAN SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: **Putnam County – Summerfield Road, Cookeville, TN – Trans. No. 07-09-906**

Purpose: To provide office/shop/warehouse space for Tennessee Vocational Rehab Center

Term: July 1, 2008 thru June 30, 2018 (10 yrs.)

Proposed Amount:	<u>20,500 Square Feet</u>		
	Annual Contract Rent:	\$241,404.00	@\$11.78/sf
	Est. Annual Utility Cost:	\$ 28,700.00	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 22,550.00</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$292,654.00	@\$14.28/sf

Current Amount:	<u>9,504 Square Feet</u>		
	Annual Contract Rent Incl. Janitorial Cost:	\$39,500.00	@\$4.16/sf
	Est. Annual Utility Cost:	<u>\$13,306.00</u>	<u>@\$1.40/sf</u>
	Total Annual Effective Cost:	\$52,806.00	@\$5.56/sf

Type: New Lease – Negotiated

FRF Rate: \$18.00 per square foot

Purchase Option:

Lessor: Putnam County Executive

Comment: The proposed lease provides (1) Lessor shall construct a 20,500 rsf new facility including tenant improvements at no additional cost to the State, and (2) proposed lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180-day thereafter. City of Cookeville and Putnam County will have Mid State Construction to build the new facility. Estimated costs are as follows:

Construction and A/E Fees	\$1,750,000.00
Land Cost	<u>\$ 60,000.00</u>
Est. Total Cost for the City & County	\$1,810,000.00

SC Action: 09-24-07. Charles Garrett presented the transaction. Subcommittee approved the request as presented.

STATE BUILDING COMMISSION

MINUTES OF EXECUTIVE SUBCOMMITTEE MEETING

- 1) Approved the Minutes of the Executive Subcommittee meeting held on August 20, 2007.

SBC BY-LAWS, POLICY AND PROCEDURE

- 1) Approved a request to recommend to the full Commission that the following be added as a new item, 3.05 Designer Selection Eligibility, to the *By-laws, Policy and Procedure of the State Building Commission*:

3.05 DESIGNER SELECTION ELIGIBILITY

- . Whenever a design entity is approved and contracted to develop a program for a specific building project, it is the State Building Commission's normal assumption that the entity is ineligible to participate as a principal of the design entity approved for the ensuing project. Unless specific circumstances warrant otherwise and specific SBC approval is obtained, the program designer will be considered ineligible. This assumption does not preclude employment of the program designer by the State as a consultant to aide the State in review of the actual project design and development. This policy does not apply to design entities approved for the development of feasibility studies or master plans.

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Following approval of the Consent Agenda, the meeting adjourned at 11:02 a.m.

CONSENT AGENDA

Approved the following real property transactions, which have been reviewed and recommended for approval by Sub-Committee staff, with a request by Treasurer Sims to have Item A reported back to the Subcommittee:

- A. Agency: Tennessee Board of Regents - Rutherford County
Transaction: Acquisition in Fee
- B. Agency: Tennessee Board of Regents - Rutherford County
Transaction: Acquisition in Fee
- C. Agency: Tennessee Board of Regents - Shelby County
Transaction: Acquisition in Fee
- D. Agency: Tennessee Board of Regents - Shelby County
Transaction: Acquisition in Fee
- E. Agency: Tennessee Board of Regents - Shelby County
Transaction: Acquisition in Fee
- F. Agency: Department of Environment & Conservation – Putnam County
Transaction: Acquisition in Fee
- G. Agency: Department of Environment & Conservation – Hardeman County
Transaction: Acquisition in Fee
- H. Agency: Department of Mental Health Disabilities Development – Hardeman County
Transaction: Disposal in Fee
- I. Agency: Department of Finance & Administration – Davidson County
Transaction: Disposal by Lease
- J. Agency: Department of Finance & Administration for Mental Retardation – Greene County
Transaction: Acquisition in Fee
Provision: Waiver of Real Estate Management Fee
- K. Agency: Department of Finance & Administration for Mental Retardation – Greene County
Transaction: Acquisition in Fee
Provision: Waiver of Real Estate Management Fee
- L. Agency: Department of Finance & Administration for Mental Retardation – Greene County
Transaction: Acquisition in Fee
Provision: Waiver of Real Estate Management Fee

- M. Agency: Department of Agriculture – Carroll County
Transaction: Disposal by Easement
- N. Agency: Department of Safety THP – Rhea County
Transaction: Acquisition in Fee
- O. Agency: Department of Safety DLI & THP – Dickson County
Transaction: Lease Agreement
- P. Agency: Department of Safety DLI & THP –Fentress County
Transaction: Lease Agreement
- Q. Agency: Department of Safety DLI & THP –Robertson County
Transaction: Lease Agreement
- R. Agency: Department of General Services – Davidson County
Transaction: Lease Agreement
- S. Agency: Department of Education – Davidson County
Transaction: Lease Agreement
Provision: Waiver of Advertisement
- T. Agency: Department of Education – Hamilton County
Transaction: Lease Agreement
Provision: Waiver of Advertisement
- U. Agency: Comptroller of Treasury – Davidson County
Transaction: Lease Amendment
- V. Agency: Department of Financial Institutions – Davidson County
Transaction: Lease Amendment
- W. Agency: Department of Human Services – White County
Transaction: Lease Agreement
- X. Agency: Department of Finance & Administration for Community Services Agency – Davidson County
Transaction: Lease Agreement
- Y. Agency: Department of Mental Health and Developmental Disabilities – Hardeman County
Transaction: Demolition – Western Mental Health Institute (SBC No. 344/015-02-2004)

A.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Rutherford County – 802 Fairview Drive, Murfreesboro, TN – Trans. No. 07-08-013 (BW)</u>
Purpose:	Acquisition in Fee to purchase this property and is in the SUBCOMMITTEE Master Plan.
Source of Funding:	Rental Funds
Estimated Cost:	Fair Market Value
Owner(s):	Heather Vandenberg
Comment:	SUBCOMMITTEE will rent the house until property is needed for future expansion.
SSC Report:	09-17-07. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee-Committee for consent agenda.
SC Action:	09-24-07. Treasurer Sims commented that there is a large discrepancy between the fair market value estimate and the tax assessment value, and that he would like to know more about this transaction. Subcommittee approved the transaction with the understanding that the Board would report back with the fair market value.

B.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Rutherford County –1918 Ragland Avenue, Murfreesboro, TN – Trans. No. 07-08-021 (BW)</u>
Purpose:	Acquisition in Fee to purchase this property and is in the SUBCOMMITTEE Master Plan.
Source of Funding:	Rental Funds
Estimated Cost:	Fair Market Value
Owner(s):	H. Ray & Sarah Houston
Comment:	SUBCOMMITTEE will rent the house until property is needed for future expansion.
SSC Report:	09-17-07. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee-Committee for consent agenda.
SC Action:	09-24-07. Subcommittee approved the request as presented.

C.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Shelby County – 3553 Watuaga Avenue, Memphis, TN – Trans. No. 07-07-019 (BW)</u>
Purpose:	Acquisition in Fee to purchase this property and is in the SUBCOMMITTEE Master Plan.
Source of Funding:	Land Banks Funds
Estimated Cost:	Fair Market Value
Owner(s):	Bradley K. & Thescia C. Littlejohn
Comment:	Property would further the enhancement of the University.
SSC Report:	09-17-07. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee-Committee for consent agenda.
SC Action:	09-24-07. Subcommittee approved the request as presented.

D.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Shelby County – 3563 Watauga Avenue, Memphis, TN – Trans. No. 07-07-022 (BW)</u>
Purpose:	Acquisition in Fee to purchase this property and is in the SUBCOMMITTEE Master Plan.
Source of Funding:	Land Banks Funds
Estimated Cost:	Fair Market Value
Owner(s):	Michael D. Searce
Comment:	Property would further the enhancement of the University.
SSC Report:	09-17-07. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee-Committee for consent agenda.
SC Action:	09-24-07. Subcommittee approved the request as presented.

E.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Shelby County – 3629 & 3631 Watauga Avenue, Memphis, TN – Trans. No. 07-07-023 (BW)</u>
Purpose:	Acquisition in Fee to purchase this property and is in the SUBCOMMITTEE Master Plan.
Source of Funding:	Land Banks Funds
Estimated Cost:	Fair Market Value
Owner(s):	Highland Street Church of Christ
Comment:	This is a duplex who's estimated purchase price is \$99,500.00. Property would further the enhancement of the University.
SSC Report:	09-17-07. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee-Committee for consent agenda.
SC Action:	09-24-07. Subcommittee approved the request as presented.

F.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Putnam County – 45 +/- acres in Cookeville, TN – Trans. No. 07-08-017 (FB)

Purpose: Acquisition in Fee to protect the bluff line above Burgess Falls and provide more manageable land base.

Source of Funding: State Land Acquisition Fund

Estimated Cost: Fair Market Value

Owner(s): Roy & Treva Luke

SSC Report: 09-17-07. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee-Committee for consent agenda.

SC Action: 09-24-07. Subcommittee approved the request as presented.

G.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE / DISPOSAL or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Hardeman County – 3.0 +/- acres with old schoolhouse on the property – Pocahontas Road, Pocahontas, TN – Trans. No. 07-08-018 (GM)</u>
Purpose:	Acquisition in Fee to purchase the schoolhouse and would rehabilitate the building as a “Welcome/Interpretive Center” for the Davis Bridge Battlefield.
Source of Funding:	State Land Acquisition Fund & Tennessee Wars Commission
Estimated Cost:	Fair Market Value
Owner(s):	Betty Kay Dysart
SSC Report:	09-17-07. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee-Committee for consent agenda.
SC Action:	09-24-07. Subcommittee approved the request as presented.

H.

DEPARTMENT OF MENTAL HEALTH AND
DEVELOPMENTAL DISABILITIES

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and ONE (1) APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Hardeman County – 19 +/- acres – Old Highway 64, Bolivar, TN – Trans. No. 07-08-006 (FB)</u>
Purpose:	Disposal in Fee of surplus property to City of Bolivar for parks & recreation.
Original Cost to State:	\$3,920.00
Date of Original Conveyance:	April 29, 1887
Grantor Unto State:	Jones Heirs
Estimated Sale Price:	Fair Market Value
Grantee:	City of Bolivar
SSC Report:	09-17-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	09-24-07. Subcommittee approved the request as presented.

I.

DEPARTMENT OF FINANCE & ADMINISTRATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Davidson County – 2.4 +/- acres improved with a 60,000 +/- sf food processing plant – 410 Jackson Street, Nashville, TN – Trans. No. 06-07-009 (LW)</u>
Purpose:	Disposal by Lease to Amend SBC Minutes dated 2/20/07 to include Lease Disposal as part if the acquisition negotiations which were previously approved.
Term:	1.5 years with 30-day cancellation notice
Consideration:	1 st – twelve (12) months at no cost then the remain term at \$32,500.00 monthly (warehouse rate)
Lessee:	Walter E. Strickland & Jimmy E. Strickland
SSC Report:	09-17-07. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee-Committee for consent agenda.
SC Action:	09-24-07. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATION
for
DEPARTMENT OF MENTAL RETARDATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, WITH WAIVER of REAL ESTATE MANAGEMENT FEE in the required interest in the following real property:

Description: Greene County – 2.06 +/- acres located on Chuckey Pike Road, Chuckey, TN – Trans. No. 07-08-004 (JB)

Purpose: Acquisition in Fee of lots for construction of ICF/MR home.

Source of Funding: 2005 G.O.Bonds

Owner: Daniel and John Smucker

SSC Report: 09-17-07. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee-Committee for consent agenda.

SC Action: 09-24-07. Subcommittee approved the request as presented.

K.

DEPARTMENT OF FINANCE AND ADMINISTRATION
for
DEPARTMENT OF MENTAL RETARDATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, WITH WAIVER OF REAL ESTATE MANAGEMENT FEE in the required interest in the following real properties:

Description:	<u>Greene County – 0.68 +/- acre lot located on Calico Road, Afton, TN – Trans. No. 07-08-010 (JB)</u>
Purpose:	Acquisition in Fee of lot for construction of ICF/MR home.
Source of Funding:	2005 G.O. Bonds
Owner:	Terry Botts
SSC Report:	09-17-07. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee-Committee for consent agenda.
SC Action:	09-24-07. Subcommittee approved the request as presented.

L.

DEPARTMENT OF FINANCE AND ADMINISTRATION
for
DEPARTMENT OF MENTAL RETARDATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, WITH WAIVER of REAL ESTATE MANAGEMENT FEE in the required interest in the following real property:

Description: Greene County – 2.10 +/- acres located on Meadowbrook Road, Afton, TN – Trans. No. 07-08-011 (JB)

Purpose: Acquisition in Fee of lots for construction of ICF/MR home.

Source of Funding: 2005 G.O. Bonds

Owner: Nicholas and Crystal Hirschy

SSC Report: 09-17-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 09-24-07. Subcommittee approved the request as presented.

M.

DEPARTMENT OF AGRICULTURE

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Carroll County – 3.5 +/- acres – Natchez Trace State Park, McKenzie, TN – Trans. No. 07-09-002 (FB)</u>
Purpose:	Disposal by Easement across State property to grant ingress and egress to Mr. Gordon Wood property.
Estimated Sale Price:	Fair Market Value
Grantee:	Gordon S. Wood
SSC Report:	09-17-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	09-24-07. Subcommittee approved the request as presented.

N.

DEPARTMENT OF SAFETY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT and APPROVAL TO ENTER INTO LAND LEASE required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Rhea County – Spring City, TN – Trans. No. 07-08-020 (RJ)

Purpose: Acquisition in Fee of Communication Tower and leasing of land tower is located on. The tower will be used to support antenna and feed lines installed to provide expanded and more reliable coverage for THP's radio systems. This is a twenty five (25) year lease.

Source of Funding: Department of Safety THP Funds

Estimated Cost: Fair Market Value
Communications Tower - \$75,000.00
Land Lease – 25 year land lease – current rate is \$575 per month
1st / 5 year renewal - \$6,900.00 annual
2nd / 5 year renewal - \$7,935.00 annual
3rd / 5 year renewal - \$9,125.25 annual
4th / 5 year renewal - \$10,494.00 annual
5th / 5 year renewal - \$12,868.14 annual

Owner(s): Lit Systems, Inc. – owns the tower
Francis M. Maddux – owns the land

SSC Report: 09-17-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 09-24-07. Subcommittee approved the request as presented.

DEPARTMENT OF SAFETY

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Dickson County – 114 West Christi Drive, Dickson, TN – Trans. No. 07-05-902 (AL)

Purpose: To provide office space for DLI & THP

Term: September 1, 2008 thru August 31, 2018 (10 yrs.)

Proposed Amount:	<u>5,959 Square Feet</u>		
	Annual Contract Rent:	\$63,909.00	@\$10.72/sf
	Est. Annual Utility Cost:	\$ 8,342.60	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 6,554.90</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$78,806.50	@\$13.22/sf

Current Amount: None

Type: New Lease – Advertise – Received six (6) proposals from four (4) proposers

FRF Rate: \$14.00 per square foot

Purchase Option: Yes – 1 thru 10

Lessor: Troy Alley

Comment: The proposed lease provides: (1) Lessor shall renovate a 5,959 rsf facility including tenant improvements at no additional cost to the State, and (2) proposed lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180-day thereafter.

SSC Report: 09-17-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 09-24-07. Subcommittee approved the request as presented.

DEPARTMENT OF SAFETY

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Fentress County – 552 Main Street North, Jamestown, TN – Trans. No. 07-04-918 (JS)

Purpose: To provide office space for DLI & THP

Term: July 1, 2008 thru June 30, 2018 (10 yrs.)

Proposed Amount:	<u>5,500 Square Feet</u>		
	Annual Contract Rent:	\$42,006.00	@ \$ 7.64/sf
	Est. Annual Utility Cost:	\$ 7,700.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 6,050.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$55,756.00	@ \$10.14/sf

Current Amount:	<u>2,380 Square Feet</u>		
	Annual Contract Rent:	\$23,808.00	@ \$10.00/sf
	Est. Annual Utility Cost:	\$ 3,332.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 2,618.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$29,758.00	@ \$12.50/sf

Type: New Lease – Advertise – Received two (2) proposals from two (2) proposers.

FRF Rate: \$14.00 per square foot

Purchase Option: No

Lessor: Duncan Family Partners

Comment: The proposed lease provides: (1) Lessor shall build to suit a 5,500 rsf facility including tenant improvements at no additional cost to the State, and (2) proposed lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180-day thereafter.

SSC Report: 09-17-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 09-24-07. Subcommittee approved the request as presented.

Q.

DEPARTMENT OF SAFETY

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Robertson County – 4676 Highway 41 North, Suite C, Springfield, TN – Trans. No. 06-07-909 (RS)

Purpose: To provide office space for DLI & THP

Term: January 1, 2008 thru December 31, 2017 (10 yrs)

Proposed Amount: 6,688 Square Feet
Annual Contract Rent Incl. Utilities
Cost: \$75,240.00 @\$11.25/sf
Est. Annual Janitorial Cost: \$ 7,356.80 @\$ 1.10/sf
Total Annual Effective Cost: \$82,596.80 @\$12.35/sf

Current Amount: 3,464 Square Feet
Annual Contract Rent Incl. Utilities
Cost: \$38,970.00 @\$11.25/sf
Est. Annual Janitorial Cost: \$ 3,810.40 @\$ 1.10/sf
Total Annual Effective Cost: \$42,780.40 @\$12.35/sf

Type: New Lease – Advertise – Received two (2) proposals from two (2) proposers

FRF Rate: \$18.00 per square foot

Purchase Option: No – multi tenant

Lessor: 41 & Main Building / Bart Posey, current lessor

Comment: The proposed lease provides: (1) Lessor shall renovate a 6,688 rsf facility including tenant improvements at no additional cost to the State; (2) proposed lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180-day thereafter, and (3) Lessor to provide utilities.

SSC Report: 09-17-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 09-24-07. Subcommittee approved the request as presented.

R.

DEPARTMENT OF GENERAL SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Davidson County – 843 Cowan Street, Building C-1 West, Nashville, TN – 07-06-904 (JS)

Purpose: To office/shop/warehouse space for Records Management

Term: January 1, 2008 thru December 31, 2012 (5 yrs)

Proposed Amount:	<u>31,511 Square Feet</u>		
	Annual Contract Rent:	\$152,832.00	@\$4.85/sf
	Est. Annual Utility Cost:	\$ 34,662.10	@\$1.10/sf
	Est. Annual Janitorial Cost:	<u>\$ 34,662.10</u>	<u>@\$1.10/sf</u>
	Total Annual Effective Cost:	\$222,156.20	@\$7.05/sf

Current Amount:	<u>31,511 Square Feet</u>		
	Annual Contract Rent:	\$132,661.31	@\$4.21/sf
	Est. Annual Utility Cost:	\$ 34,662.10	@\$1.10/sf
	Est. Annual Janitorial Cost:	<u>\$ 34,662.10</u>	<u>@\$1.10/sf</u>
	Total Annual Effective Cost:	\$201,985.51	@\$6.42/sf

Type: New Lease – Advertise – Received only one (1) proposal which is the current lessor.

FRF Rate: \$7.50 per square foot

Purchase Option: No – multi tenant

Lessor: CI Partners, LLC, current lessor

Comment: The proposed lease provides: (1) Lessor to provide a 31,511 rsf office / shop / warehouse facility including tenant improvements at no additional cost to the State, (2) proposed lease has ninety (90) day cancellation, and (3) Lessor to furnish sewer/water.

SSC Report: 09-17-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 09-24-07. Subcommittee approved the request as presented.

DEPARTMENT OF EDUCATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: Davidson County – 3004 Tuggle Avenue, Nashville, TN – Trans. No. 07-07-908 (HF)

Purpose: To provide office space for the new programs TEIS

Term: October 1, 2007 thru September 30, 2008 (1 yr)

Proposed Amount: 4,200 Square Feet
Annual Contract Rent Incl. Utilities &
Janitorial Cost: \$60,900.00 @\$14.50/sf
Total Annual Effective Cost: \$60,900.00 @\$14.50/sf

Current Amount: None

Type: New Lease – Negotiated one year emergency lease

FRF Rate: \$18.00 per square foot

Purchase Option: No

Lessor: First Steps, Inc.

Comment: The proposed lease provides: (1) Lessor shall renovate a 4,200 rsf facility including tenant improvements at no additional cost to the State, and (2) proposed lease has no cancellation except for cause and/or lack of funding.

SSC Report: 09-17-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 09-24-07. Subcommittee approved the request as presented.

T.

DEPARTMENT OF EDUCATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: Hamilton County – 1501 Riverside Drive, Chattanooga, TN – Trans. No. 07-07-909 (AL)

Purpose: To office space the a new programs TEIS / TIPS

Term: September 1, 2007 thru August 31, 2008 (1 yr)

Proposed Amount: 3,425 Square Feet
Annual Contract Rent Incl. Utilities
Cost: \$47,950.00 @\$14.00/sf
Est. Annual Janitorial Cost: \$ 3,767.50 @\$ 1.10/sf
Total Annual Effective Cost: \$51,717.50 @\$15.10/sf

Current Amount: None

Type: New Lease – Negotiated one year emergency lease

FRF Rate: \$18.00per square foot

Purchase Option: No

Lessor: Tallen Holdings

Comment: The proposed lease provides: (1) Lessor shall renovate a 3,425 rsf facility including tenant improvements at no additional cost to the State, (2) proposed lease has no cancellation except for cause and/or lack of funding, and (3) Lessor to furnish utilities.

SSC Report: 09-17-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 09-24-07. Subcommittee approved the request as presented.

U.

COMPTROLLER OF THE TREASURY

Revise Information on Amendment #1

On August 20, 2007 Comptroller of the Treasury was approved. Due to the increase of space from 4,924 rsf to 6,412 rsf for the total of the space with Financial Institutions from 26,251 rsf to 32,663 rsf the annual rent will change to the following:

- From \$433,140.00 payable in monthly installment of \$36,095.00 to \$538,939.50 payable in monthly installment of \$44,911.63 of a rate of \$16.50 per square foot for the first five (5) years.
- From the sixth year lease term is \$563,436.75 payable in monthly installments of \$46,953.06 of a rate of \$17.25 per square foot for the remaining of the lease term.

SSC Report: 09-17-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 09-24-07. Subcommittee approved the request as presented.

V.

DEPARTMENT OF FINANCIAL INSTITUTIONS

LEASE AMENDMENT

Review of a request for APPROVAL of the following LEASE AMENDMENT for the rental of real property as required by TCA 12-2-115:

Location: Davidson County – 414 Union Street, 9th floor, Bank of America Building, Nashville, TN – Trans. No. 07-01-914

Purpose: To provide additional space for nine (9) new employees

Term: January 1, 2008 thru December 31, 2017 (10 yrs)

Proposed Amount:	<u>35,526 Square Feet</u>		
	Average Annual Contract Rent Incl.		
	Utilities & Janitorial Cost:	<u>\$599,323.62</u>	<u>@\$16.87/sf</u>
	Total Annual Effective Cost:	<u>\$599,323.62</u>	<u>@\$16.87/sf</u>

Current Amount:	<u>32,663 Square Feet</u>		
	Average Annual Contract Rent Incl.		
	Utility & Janitorial Cost:	<u>\$551,024.81</u>	<u>@\$16.87/sf</u>
	Total Annual Effective Cost:	<u>\$551,024.81</u>	<u>@\$16.87/sf</u>

Type: Amendment #2 - Negotiated

FRF Rate: \$18.00 per square foot

Purchase Option: No – Multi tenant

Lessor: Parkway Properties, LP, Bank of America

Comment: The proposed lease provides: (1) Lessor shall construct an additional 2,863 rsf to existing facility on the 9th floor including tenant improvements at no additional cost to the State, and (2) all terms and conditions remain the same per the lease.

SSC Report: 09-17-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 09-24-07. Subcommittee approved the request as presented.

W.

DEPARTMENT OF HUMAN SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: White County – 620 Roosevelt Street, Sparta, TN – Trans. No. 04-12-903 (RS)

Purpose: To provide office space for county operations

Term: July 1, 2008 thru June 30, 2013 (5 yrs.)

Proposed Amount:	<u>5,600 Square Feet</u>		
	Annual Contract Rent:	\$43,400.00	@ \$ 7.75/sf
	Est. Annual Utility Cost:	\$ 7,840.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 6,160.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$57,400.00	@ \$10.25/sf

Current Amount:	<u>5,000 Square Feet</u>		
	Annual Contract Rent:	\$34,320.00	@ \$6.86/sf
	Est. Annual Utility Cost:	\$ 7,000.00	@ \$1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 5,500.00</u>	<u>@ \$1.10/sf</u>
	Total Annual Effective Cost:	\$46,820.00	@ \$9.36/sf

Type: New Lease – Advertise – Received two (2) proposals from one (1) proposers

FRF Rate: \$14.00 per square foot

Purchase Option: Yes – 1 thru 5

Lessor: Harold E. Jackson & Steve Copeland

Comment: The proposed lease provides: (1) Lessor shall build out a 5,600 rsf facility including tenant improvements at no additional cost to the State, and (2) proposed lease has no cancellation except for cause and/or lack of funding.

SSC Report: 09-17-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 09-24-07. Subcommittee approved the request as presented.

X.

DEPARTMENT OF FINANCE & ADMINISTRATION
for
COMMUNITY SERVICES AGENCY

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Davidson County – 531 Metroplex Drive, Suite A200, Nashville, TN – Trans. No. 07-04-913 (JS)

Purpose: To provide office space for Mid-Cumberland Community Services Agency

Term: January 1, 2008 thru December 31, 2012 (5 yrs.)

Proposed Amount: 8,883 Square Feet
Annual Contract Rent Incl. Utilities & Janitorial Cost: \$122,496.00 @\$13.79/sf
Total Annual Effective Cost: \$122,496.00 @\$13.79/sf

Current Amount: 8,883 Square Feet
Annual Contract Rent: \$124,000.08 @\$13.96/sf
Total Annual Effective Cost: \$124,000.08 @\$13.96/sf

Type: New Lease – Advertise – Received two (2) proposals from two (2) proposers.

FRF Rate: \$18.00 per square foot

Purchase Option: No – Multi tenant

Lessor: Papermill Associates, current lessor

Comment: The proposed lease provides: (1) Lessor shall provide an 8,883 rsf facility including tenant improvements at no additional cost to the State, and (2) proposed lease has ninety (90) day cancellation except for cause and/or lack of funding.

SSC Report: 09-17-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 09-24-07. Subcommittee approved the request as presented.

Y.

DEPARTMENT OF MENTAL HEALTH AND
DEVELOPMENTAL DISABILITIES

WESTERN MENTAL HEALTH INSTITUTE, BOLIVAR, TENNESSEE

- 1) Approved a request to **Demolish 3 Buildings** at Western Mental Health Institute, Bolivar, Tennessee, contingent upon approval by the Tennessee Historical Commission.

SBC Project No. 344/015-02-2004

Approved by: _____

M.D. Goetz, Jr., Commissioner
Department of Finance and Administration